

MINUTES OF THE CITY COUNCIL

CITY OF AUSTIN, TEXAS

Regular Meeting

August 26, 1981
2:00 P.M.

Council Chambers
301 West Second Street

The meeting was called to order with Mayor McClellan presiding.

Roll Call:

Present: Mayor McClellan, Councilmembers Duncan, Mullen, Urdy

Absent: Mayor Pro Tem Trevino, Councilmembers Deuser, Goodman

MINUTES APPROVED

Councilmember Mullen moved that the Council approve the Minutes for Special Meeting of August 17, 1981 and Regular Meeting of August 19, 1981.

Ayes: Mayor McClellan, Councilmembers Duncan, Mullen, Urdy

Noes: None

Absent: Mayor Pro Tem Trevino, Councilmembers Deuser, Goodman

At this point, Mayor Pro Tem Trevino, Councilmembers Deuser and Goodman entered the Council Chamber.

INGRESS AND EGRESS EASEMENT

Councilmember Mullen moved that the Council adopt a resolution approving the sale of an ingress and egress easement to United Austin Capitol Company. The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

CAPITAL IMPROVEMENTS PROGRAM

Councilmember Mullen moved that the Council adopt a resolution acquiring 0.5207 of one acre tract out of the Santiago Del Valle Grant, East Riverside Drive, for the East Riverside Drive Project (Wickersham to East Ben White). C.I.P. No. 73/62-02. The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

FIELD NOTE CORRECTION

Councilmember Mullen moved that the Council adopt a resolution authorizing the correction of field notes for the release of a Public Utility Easement located on Lot 5, Westover Hills, Section 3, Phase 6. (Requested by the Public Works Department) The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

RELEASE OF EASEMENT

Councilmember Mullen moved that the Council adopt a resolution authorizing release of the following easement:

A portion of a 10.0' Public Utility Easement located on Lot 40,
Block D, Spicewood at Balcones Village, 10605 Fountainbleu Circle.
(Requested by J. Leroy Bush, representing Mr. John S. Green)

The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

LICENSE AGREEMENT

Councilmember Mullen moved that the Council adopt a resolution entering into a License Agreement with the Missouri Pacific Railroad Company for the purpose of installing one (1) 12-inch water line and one (1) 8-inch sanitary sewer line beneath Missouri Pacific's Right-of-way at Mile Post 1.90, Engineer's Chainage Station 103+55.51, and Mile Post 1.91 Engineer's Chainage Station 103.86 (Bergstom Spur) in City of Austin, Travis County, Texas. (No City cost participation) The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

CONTRACTS APPROVED

Councilmember Mullen moved that the Council adopt a resolution approving the following contracts:

Bid Award:	- Rent-A-Car Concession at Robert Mueller Airport, Aviation Department Five year contract net revenue aviation fund.
THE HERTZ CORPORATION 660 Madison Avenue New York, New York	- \$1,455,300.00
ORMCO LEASING CORPORATION dba National Car Rental 2110 Redwood Austin, Texas	- \$940,300.00
HAYES LEASING COMPANY, INC. (Avis Licensee) 3 Airline Dallas, Texas	- \$900,000.00
RYAN & DAVIS, INC. dba Budget Rent-A-Car of Austin 3330 Manor Road Austin, Texas	- \$651,000.00
RENTAL SYSTEMS, INC. dba Dollar Rent-A-Car of Austin 6918 Burnet Road Austin, Texas	- \$285,000.00

The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

Councilmember Mullen moved that the Council adopt a resolution approving the following contract:

WILLAMETTE INDUSTRIES, INC. 1802 N. E. Loop 410, Suite 21 San Antonio, Texas	- Stock Paper, Purchases and Stores Department Items 1-4 - \$54,593.05
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The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

Councilmember Mullen moved that the Council adopt a resolution approving the following contract:

AUSTIN WHITE LIME COMPANY McNeil Road Austin, Texas	- Quicklime, Water and Wastewater Department Twelve (12) Months Supply Agreement Item 1.0 - Estimated total \$874,012.00
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The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

Councilmember Mullen moved that the Council adopt a resolution approving the following contract:

THOMPSON-HAYWARD CHEMICAL COMPANY 2222 Sequin Street San Antonio, Texas	- Sulfuric Acid 66 Be, Electric Utility Department Twelve (12) Month Supply Agreement Item 1 - \$20,102.00
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The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

Councilmember Mullen moved that the Council adopt a resolution approving the following contracts:

Bid Award:

- Captive Parts for repair of Cummins Diesel Engines, Vehicle and Equipment Services Department Twelve (12) Month Supply Agreement To be awarded on a multiple progressive basis, from 1st low bidder to high bidder - Estimated total amount \$6,000.00.

LONGHORN INTERNATIONAL EQUIPMENT
4711 East 7th Street
Austin, Texas

CUMMINS SALES & SERVICE, INC.
600 Watson Road
Arlington, Texas

The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

Councilmember Mullen moved that the Council adopt a resolution approving the following contracts:

Bid Award:

- Captive Parts for repair of Detroit Diesel Engines, Vehicle and Equipment Services Department Twelve (12) Months Supply Agreement To be awarded on a multiple progressive basis from 1st low bidder to high bidder - estimated total amount \$20,000.00

STEWART & STEVENSON SERVICE, INC.
4313 Gillis Street
Austin, Texas

LONGHORN INTERNATIONAL EQUIPMENT
4711 East 7th Street
Austin, Texas

The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

Councilmember Mullen moved that the Council adopt a resolution approving the following contract:

A-TEC, INC.
9425 St. Hedwig Road
San Antonio, Texas

- Aerial Tower and Body, Vehicle
and Equipment Services Department
Item 1, 1 ea. - \$43,275.00

The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

Councilmember Mullen moved that the Council adopt a resolution approving the following contract:

INDUSTRIAL DISPOSAL SUPPLY COMPANY
1106 Paulsun
San Antonio, Texas

- Refuse Collection Unit Repair
Parts, Vehicle and Equipment
Services Department
Items 1-16, 18-52 (consisting of
51 units) - \$6,834.58

The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

MUNICIPAL AIRPORT

Councilmember Mullen moved that the Council adopt a resolution adopting proposed minimum standards for commercial Aeronautical activities at the Municipal Airport. The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

APPLICATION TO FAA

Councilmember Mullen moved that the Council adopt a resolution authorizing the submission of an application to the Federal Aviation Administration in the amount of \$1,101,769.00. The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

AUSTIN INDUSTRIAL DEVELOPMENT CORPORATION

Councilmember Mullen moved that the Council adopt a resolution approving by-laws of the Austin Industrial Development Corporation. The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

OPTION AGREEMENT FOR LIGNITE

Councilmember Mullen moved that the Council adopt a resolution approving an agreement with reference to the Option Agreement with Valero for lignite. The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

MORATORIUM ON HIRING

Councilmember Mullen moved that the Council adopt a resolution establishing a moratorium on the hiring of new City employees except in the areas of health, safety and welfare, those already offered jobs, prosecuting attorney vacancy and wherever there is a critical need as determined by the City Manager, to be in effect until the start of the new fiscal year. The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

CONTRACT APPROVED

Councilmember Mullen moved that the Council adopt a resolution approving the following contract by casting of lots:

Bid Award: - Automotive parts, Purchase and
Stores Department
Twelve (12) months supply agreement
Items 15-17, 51, 71

MOTOR PARTS WAREHOUSE
506 West Avenue
Austin, Texas

The motion, seconded by Councilmember Mullen, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Urdy, Mayor McClellan
Noes: None

This item was listed on the August 19th Agenda as two separate contracts (1) Walter Tips, and (2) Motor Parts Warehouse and was approved. The items above should have been shown to be decided by casting of lots.

BUDGET AMENDMENT

Mayor McClellan introduced the following ordinance:

AN ORDINANCE AMENDING THE 1981-1982 BUDGET ORDINANCE OF THE CITY OF AUSTIN BY CHANGING THE LEVY OF SANITARY LANDFILL FEES AND THE APPROPRIATION THEREOF IN THE DEPARTMENT OF PUBLIC WORKS BY ADDING A NEW FEE ON VEHICLE TIRES DEPOSITED AT THE CITY'S SAID LANDFILLS ON DESCRIBED CONDITION; PROVIDING AN EFFECTIVE DATE; DECLARING AN EMERGENCY; AND SUSPENDING THE THREE READING RULE.

Councilmember Mullen moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Goodman, Mullen, Urdy,
Mayor McClellan, Mayor Pro Tem Trevino
Noes: None

The Mayor announced that the ordinance had been finally passed.

ZONING ORDINANCE

Mayor McClellan introduced the following ordinance:

AN ORDINANCE ORDERING A CHANGE IN USE AND HEIGHT AND AREA AND CHANGING THE USE AND HEIGHT AND AREA MAPS ACCOMPANYING CHAPTER 45 OF THE AUSTIN CITY CODE OF 1967 AS FOLLOWS:

TRACT 1: A 2.25 ACRE TRACT OF LAND; AND

TRACT 2: A 3.931 ACRE TRACT OF LAND, LOCALLY KNOWN AS 4211 BANISTER, 4300 BLOCK OF JINX AVENUE; AND 1100-1200 BLOCK OF BEN WHITE BOULEVARD, FROM "A" RESIDENCE, FIRST HEIGHT AND AREA DISTRICT TO "O" OFFICE, SECOND HEIGHT AND AREA DISTRICT; SAID PROPERTY BEING LOCATED IN AUSTIN, TRAVIS COUNTY, TEXAS; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND DECLARING AN EMERGENCY. (E. G. and Dorothy M. Hestilow Ben White, C14r-81-084)

Councilmember Mullen moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Goodman, Mullen, Urdy,
Mayor Pro Tem Trevino, Mayor McClellan
Noes: None

The Mayor announced that the ordinance had been finally passed as an emergency measure.

LAKE AUSTIN SHORELINE MORATORIUM

Mayor McClellan introduced the following ordinance:

AN ORDINANCE EXTENDING UNTIL THE 4TH DAY OF SEPTEMBER, 1981, THE TEMPORARY MORATORIUM ON THE PROCESSING OF CERTAIN SUBDIVISION PLAN AND PLAT APPLICATIONS COVERING LAND LOCATED WITHIN THAT PORTION OF THE LAKE AUSTIN WATERSHED WHICH, ON EITHER SIDE OF LAKE AUSTIN, LIES BETWEEN THE SHORELINE OF THE LAKE AND A POINT 500 FEET BEYOND THE 504 CONTOUR LINE ESTABLISHING THE AUSTIN CITY LIMITS BEYOND BEING ACCEPTED FOR FILING AND DISAPPROVED BY THE PLANNING COMMISSION; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND DECLARING AN EMERGENCY.

Councilmember Mullen moved that the Council waive the requirement for three readings, declare an emergency and finally pass the ordinance. The motion, seconded by Mayor McClellan, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Goodman, Mullen, Urdy,
Mayor Pro Tem Trevino, Mayor McClellan
Noes: None

The Mayor announced that the ordinance had been finally passed.

GUADALUPE COMMUNITY DEVELOPMENT PROGRAM

Mr. Carlos Herrera, Director, Human Services, presented to Council the following report on Guadalupe Community Development Program, Phase I Plan:

"PURPOSE AND RECOMMENDATION:

The purpose of this report is to provide Council an analysis of the Guadalupe Community Development Program: Phase I Plan; and provide alternatives for action. Subsequent to Council's endorsement, a plan for the development of the Guadalupe neighborhood will be submitted to the HUD (Housing and Urban Development) Area Office for review and approval.

BACKGROUND:

On May 22, 1980, the Austin City Council set aside \$122,000 from 5th year CDBG (Community Development Block Grant) monies and \$500,000 from 6th year CDBG monies for the revitalization of the Guadalupe Neighborhood. The residents were to develop a neighborhood plan, with technical assistance from City staff.

Since this time, several neighborhood plans have been submitted to HSD by the Guadalupe Neighborhood Area Association (GNAA) with technical assistance from The East Austin Chicano Economic Development Corporation (EACEDC), Legal Aid Society, and Human Services Department (HSD) staff. The April 29, 1981 plan is the most recent revision.

A three-phased plan is proposed. Phase I includes start-up, planning, implementation of a revolving loan fund for home improvements, and acquisition of four vacant lots for future home construction. Phase II includes acquisition of additional vacant lots, and construction of new houses; while Phase III will entail construction completion and marketing.

DISCUSSION:

Program Purpose and Beneficiaries:

The purpose of the Guadalupe Community Development Plan (GCDP) is to design and implement strategies that will upgrade existing housing in the Guadalupe neighborhood and increase the supply of affordable housing in the target area. The program will benefit Guadalupe residents and displaced residents wishing to return to their community.

Program Content:

In the Phase I Plan, the neighborhood association proposes to address the problem of housing deterioration within their community by:

1. Establishing a revolving loan fund for home improvements in owner-occupied units. As proposed, the fund will be administered by staff of EACEDC (East Austin Community Economic Development Corporation), under the direction of the neighborhood association;
2. Establishing a Housing Improvement Counseling Program to inform owner occupants of existing housing programs, and assist eligible applicants with the work write-ups, the contracts, and the post inspection aspects of the City's Standard Rehabilitation Program;
3. Surveying the Guadalupe neighborhood to determine the location of vacant lots, ownership, size, zoning, and potential for residential development; and
4. Acquiring vacant lots in the neighborhood for future construction of single-family dwelling units.

Phase I is anticipated to last one year, with estimated costs of \$147,132. Eighty-seven percent (87%) of this total or \$127,962, is requested from the \$622,000 allocated for the Guadalupe neighborhood. The remaining 13 percent (\$19,170) will be provided through EACEDC's 7th year CDBG allocation.

The GNAA assumes responsibility for establishing the project scope and making general policy decisions regarding program implementation. As proposed, EACEDC will act as the administering agent by providing technical assistance and office and staff support. The Executive Director of the EACEDC will supervise the GCDP staff during Phase I of the project. (See Attached Organizational Chart).

Key Advantages:

The Phase I Plan is based on goals and objectives established by the Guadalupe residents to assure that rehabilitation activities and future new construction will benefit current residents and protect against displacement.

The phased approach should assure a higher degree of project manageability, by allowing sufficient time for the development of Phases II and III -- New construction and Marketing.

Administration of the revolving loan fund by staff accountable to the neighborhood association enhances accountability to neighborhood residents.

Neighborhood involvement promotes capacity building for program beneficiaries by providing residents an opportunity to gain expertise in program design and management.

Key Disadvantages:

Proposed activities 2 and 3, as described (on page 2) either have been accomplished or are currently performed by other existing CDBG funded agencies. These proposed activities may be perceived by HUD as duplication of services and therefore not allowed.

The plan lacks sufficient details about the Revolving Loan Fund. Priorities for the disbursement of loans through the fund need to be established, and drawdown and repayment procedures need to be developed.

There is no discussion regarding the process of effecting the home improvements. If the work will be performed by subcontractors, then procedures for drawdowns need to be established. On the other hand, if loans are made directly to homeowners, a monitoring system to ensure the integrity of the loans needs to be developed, i.e., that loans are used for the purpose intended.

Implementation of the plan relies heavily upon the participation of EACEDC. The eligibility of this organization and its activities continue to be the subject of a long-running debate between the City and HUD. Final determination of eligibility is pending review by the HUD Central Office, in response to the City's appeal regarding disallowed expenditures to EACEDC. Further funding of this agency, prior to final determination of eligibility, may increase the City's financial liability. In addition, if EACEDC is not refunded, an alternate plan for the implementation of Phases I, II and III must be developed.

The management of this project is complex in that dual lines of authority are proposed. Project staff are directly responsible to the GNAA Board on policy matters. However, staff is also responsible to the Executive Director of EACEDC with regard to day-to-day operation of the project. The Executive Director is responsible to the EACEDC Board as well as the GNAA Board. This management model, although workable, appears to be complex and may impede the successful implementation of the project.

There is too much time allotted for Phase I. The proposed activities could be accomplished within a shorter time period.

Program Alternatives:

There are three alternatives regarding the GCDP: Phase I Plan:

Alternative #1.

Council acceptance of the GCDP: Phase I Plan as is and transmittal to HUD for review.

Advantage: With HUD's approval, a plan which the Neighborhood Association has worked at developing for more than a year, can be implemented and the objective of improved housing can begin to be addressed.

Disadvantage: HUD may question the soundness of the plan, for the reasons described above, and delay approval.

Alternative #2.

Revise the GCDP Plan in the following manner:

- A. Coordinate with existing CDBG funded agencies to target assistance that is duplicative, including assisting residents through all aspects of the Standard Rehabilitation Program;
- B. Provide that the revolving loan fund be administered by an existing CDBG funded agency with experience in managing such funds, e.g., the Austin Redevelopment Authority (ARA).
- C. Shorten the length of time for activities scheduled in Phase I; and
- D. Develop a revised management plan that reflects a reduced role for EACEDC.

Submit revised plan to Council for review and transmit to HUD for final review and approval.

Advantage: Delivery of services would be more cost effective in that duplication would be avoided. Decreasing the length of time for the completion of activities planned for Phase I would expedite Phase II (new construction). Management of the revolving loan fund by experienced staff will promote greater efficiency and minimize start-up time.

Disadvantage: GNAA contends that proposed activities are supplemental as opposed to duplicative, since the demand for these services outweighs the current supply. Implementation of the loan fund by an agency other than GCDP staff may bring heavy criticism from Neighborhood Association members who have strongly expressed their desire to insure accountability by making this a neighborhood-managed program.

Alternative #3:

Submit the plan to HUD for review with the following revisions:

- A. Coordinate with existing CDBG funded agencies to target assistance that is duplicative, including assisting residents through all aspects of the Standard Rehabilitation Program;
- B. Design and implement the revolving loan fund as proposed, administered by GCDP/EACEDC staff, subsequent to HUD review and approval. Prior to operation, mechanics of the loan program, including draw-down procedures, contracting, loan disbursements, monitoring, and repayment must be reviewed and approved by HSD.
- C. Develop a revised management plan that reflects a reduced role for EACEDC; and
- D. Shorten Phase I in order to proceed with new construction more expeditiously.

Advantage: Duplication in the delivery of services would be avoided. Administration of the revolving loan fund by GCDP/EACEDC staff may provide a higher degree of accountability to the target neighborhood. Neighborhood involvement of this nature also promotes capacity building for program beneficiaries, and provides residents an opportunity to gain expertise in program management. Also, EACEDC has been allocated 7th year CDBG funds to provide technical assistance for neighborhood organizations. This linkage provides an avenue for this assistance.

Disadvantage: GNAA contends that the proposed activities are supplemental and not duplicative in that the needs justify expanding those services. Also, administration of the revolving loan fund by GCDP/EACEDC staff may result in underutilization of existing expertise in the management of the fund, such as staff training, financial institution agreement, etc.

Financial Impact

The proposed budget is as follows:

	<u>GNAA AWARD</u>	<u>EACEDC 7th Yr. CDBG GRANT</u>	<u>TOTAL</u>
<u>Expense Categories:</u>			
Personnel (3 employees):	\$33,000	\$ 11,000	\$ 44,000
Housing Program Coord.	17,500		
Housing Counselor	15,500		
Administrative Secretary		11,000	
Employee Benefits:	2,462	770	3,232
FICA	2,295	731	
Workmen's Comp.	235	28	
Payroll Taxes	33	11	
Supplies		720	720
Telephone		400	400
Professional Fees:		2,200	2,200
Audit		1,200	
Legal		1,000	
Consultants		1,500	1,500
Postage and Shipping		500	500
Rental of Equipment		300	300
Printing and Publications		880	880
Conferences, Conventions and Meetings		300	300
Utilities		600	600
Capital Outlay:			
Revolving Loan Fund	52,500		52,500
Land Acquisition	<u>40,000</u>		<u>40,000</u>
TOTAL DIRECT COSTS	\$127,962	\$ 19,170	\$147,132
Percentage	87%	13%	100%

RECOMMENDATION:

The Human Services Department recommends that the City Council endorse Alternative #3 as follows:

Submit the Plan to HUD for review with the following revisions:

- A. Coordinate with existing CDBG funded agencies to target assistance tht is duplicative. Council should direct the Austin Redevelopment Authority and the Austin Area Urban League to target their services under their 7th year CDBG contracts to the Guadalupe neighborhood;
- B. Design and implement the revolving loan fund, administered by GCDP/EACEDC staff, subsequent to HUD review and approval. Prior to operation, mechanics of the loan program, including drawdown procedures, contracting, loan disbursements, monitoring, and repayments must be reviewed and approved by HSD;
- C. Include a contingency management plan which reflects a reduced role for EACEDC; and
- D. Shorten Phase I so that the construction phase may proceed expeditiously.

REQUIRED ACTION:

The Human Services Department requests Council to review the three alternatives for the Guadalupe Community Development Program: Phase I Plan; and direct staff to take the necessary actions to submit the Council endorsed Plan to the HUD Area Office."

Motion Made and Withdrawn

Councilmember Deuser moved that the Council submit Alternate #1. The motion was seconded by Councilmember Goodman. The motion and second were withdrawn when Councilmember Mullen said he would like to vote on this at the August 27, 1983, Council Meeting.

BACK TO SCHOOL SAFETY PREPARATIONS

Dr. Benson, Director of Urban Transportation, presented a report on Back to School Safety Preparations. He discussed signs, signals and traffic controls to assure safety as children return to school. He also explained crossing guards and Police Department enforcement for the safety of the children.

MONTHLY FINANCIAL REPORT

Mr. Phil Scheps, Director of Finance, gave the monthly financial report. He said he sees no problems, except with the bond market, which is at an all time high. This reference concerned the forthcoming bond election scheduled for August 29, 1981. He said the pension boards have met concerning what to do about pension management areas and the objectives are in the works now. Mr. Scheps said there are some problems in the Finance Department concerning inter-fund borrowing. There is good news in the grants area because the City will get \$1.3 million back. Mr. Scheps concluded by saying the General Fund Balance will be \$5.3 million.

LAKE AUSTIN CORRIDOR RECREATION STUDY

Mr. David Reed, Superintendent, Park Planning, reported on the Lake Austin Corridor Recreation Study. He said the Parks and Recreation Department is asking the Council to recognize the significant role of Lake Austin and its shoreline as an important recreation resource for the City of Austin; approve the Lake Austin Shoreland Protection Ordinance allowing for setback reduction but not allowing for transfer credits; apply limited purpose annexation to the Shoreland Zone to provide for performance standards which can guide land use and protect scenic recreation and open space values; approve the staff preliminary study and appoint a special Lake Austin Study Committee to review staff research and develop specific recommendations for outdoor recreation use of the lake and its waterfront; and initiate the development of a comprehensive growth management strategy for the Lake Austin Corridor, incorporating environmental regulations, performance standards for development and a recreation resource plan built upon the Parks and Recreation Department preliminary study.

SABANA REHABILITATION COMPLAINT

Paula Manning, Human Services Department, reported to Council concerning the Sabana complaint which was brought to Council's attention by Mr. Sabana during a Citizen Communication at a previous Council Meeting. (Report is on file in City Clerk's Office).

Mayor Pro Tem Trevino stated the Sabana family has been kept out of their home for one year while repairs were being made. Repairs are not done properly and it is costing the City money to keep the Sabana's out of their house. Mr. Herrera said HUD will not allow CDBG money to re-do what has already been done on the house. Councilmember Mullen asked about going back to the contractor. Discussion followed.

Mr. Tom Muehlenbeck, Deputy City Manager, told Council they will receive a report next week concerning their questions re the Sabana complaint.

PUBLIC BOND ELECTION INFORMATION

City Manager Davidson addressed the City Council as follows: "This morning I received a communication from Mayor McClellan, after hearing about it from some of the news media, that I felt deserved some public discussion, and I am distributing a communication to the City Council which transmits my response. Basically, the Mayor's communication talked about and criticized our handling of two basic items: the bond tabloid which was created as a public information piece to inform our citizen's of the upcoming bond election and second, the presentation of the annual Operating Budget. I will also address some of the concerns presented by the Mayor regarding full public disclosure. At the outset I want it to be known that it's very true that we have tried to carry out a very thorough and extensive public information effort so that we could get information on the upcoming bond election as adopted by the City Council.

"Concerning the printing of the tabloid and whether or not that work should have been approved by the City Council, the Mayor requested an opinion of the City Attorney, and I believe that the City Attorney's opinion has been fully addressed. There should be no argument. The Charter states that all contracts for expenditures involving more than \$5,000 must be expressly approved in advance by the Council. As tabulated in the City Attorney's memo, the contracts entered into for typesetting, printing and newspaper distribution of the tabloid were accomplished by an independent company in each case and did not exceed the \$5,000 limitation. Clearly, there was no violation of the Charter requirement in this respect. All of us agree that bids should have been taken on the printing job itself. Unfortunately, time constraints forced my staff to exercise their judgement on the vendor most capable of doing this work within the short time required and at the lowest cost.

"The only point I would make here is that the violation was unintentional, it was a judgement call, not an attempt to circumvent any portion of the City Charter. I would point out that there can be circumstances under which competitive bidding may not be possible or advantageous. I want to say that is not the case here but according to an article on purchasing practices in the 1980 Municipal Yearbook, although competitive bidding should be the general standard for public purchasing and it is in Austin, there are circumstances when it is not advantageous and I have attached a copy of the page of that particular article. The most prevalent reason that it sometimes is not done is in connection with emergency purchases. However, there can be situations where competitive bidding is not practical or does not provide for sound procurement. These circumstances could include a small dollar value purchase not large enough to justify the expense of bidding, insufficient time available, preparation of bids by seller, sole and single source items.

"Again, I reiterate, I don't believe that was the case here, but there is some flexibility on the part of the Purchasing Department and the Operating Department in that regard. The Mayor expressed concern about the delay in delivering information about the tabloid to her office. I want to assure the Mayor that everything possible was done to secure this information as quickly as we could. At least three professional people spent a substantial part of two days compiling the information which was requested. Cost records were not readily available for past bond expenses and final figures were not available in all cases for the current year because we don't have the bills. In addition, I would remind the Council that an Operating Budget, bond information packets and publications, and also a Five Year Capital Improvements Program are all under development at the same time. This has required extensive amounts of staff effort and little time available for special projects of this type. I am really concerned about the Mayor's statement concerning the accuracy of statements in the bond tabloid with regard to the 1981 tax rate.

"In adopting the current year's budget, City Council authorized a one year only transfer of 2¢ from the tax levy for debt to operations. I recommended this because we had a larger than necessary balance in the debt reserve fund. The tax rate for operations has been adjusted from 36¢ to 38¢ for 1980-81 only, leaving 19¢ for debt. In planning for next year's budget we have reduced the beginning tax rate for operating purposes to 36¢. All budgetary planning for next year is based on a tax rate of 36¢ for operating purposes, leaving 21¢ dedicated for debt as adopted by the Council. All discussions with Council concerning potential tax increases for operating purposes next year we have talked about this 36¢ and 21¢. Hence, any tax change in the upcoming budget should be predicated on the beginning rates and not on the existing dedication of tax revenue.

"Concerning the transmittal of the budget, I am concerned that everyone adequately understands the reason for that delay. I hope you also understand that on my last day here, as City Manager, I would really like to be doing some other things than presenting the Annual Operating Budget and spending until 10 p.m. that night answering questions about my proposal. In past year's we have consistently tried to improve our schedule for delivery of the budget. This has become more difficult as the complexity and volume of information needed by the Council has been increasing. The problem has been compounded this year by the concurrent development of three major projects: a bond program, a five-year Capital Improvements Program, and of course, the 1981-82 Operating Budget.

"I looked at a schedule last night and I participated in the preparation of 12 budgets, only four of those have been submitted to City Council during the month of July. Out of the rest, three were presented during the last week of August and all the remainder during August. It is not peculiar to deliver a budget to Council at this particular time. In addition to these factors, I am committed to presenting the Council with a full complement of budget documents on August 31. These include five volumes of budget material and then an update volume during September. As I indicated in my August 13th memo, this would permit a full presentation of the budget instead of piecemeal distribution of budget products as we have had in the past three or four years.

"The most important consideration, though, relates to the preparation of a high quality product that meets most of the essential needs in a cost effective manner. The current budget that we are drafting is a third draft. Since mid-August I have asked my staff for additional options for balancing the budget. This has resulted in delays. The extra effort, however, will result in a budget that will reduce the final proposed tax rate and improve the number of options available for City Council consideration. I guess my most serious concern is the implication that we may mislead the public on a proposed tax increase. Since the development of the 1980-81 budget, I have been earnestly trying to apprise the Council and the public about absolute needs for a future tax increase. So there is no secret, nothing misleading about that.

"More recently, on June 24, 1981 I advised the Council at a work session of the need for a potential tax increase ranging between 25% and 80% based on a beginning tax rate of 36¢ for operations. Quite contrary to the Mayor's impression, that the public may have been misled, I believe that this Council has done an exceptional job keeping the public informed. I have taken the liberty of attaching some news clippings concerning the Council work sessions... This headline says 'Property Taxes May Skyrocket,' and a copy as well of budget material that I transmitted to the City Council at that meeting. I feel you will agree that the message was pretty clear. And finally, during my 22 years in public service, I have always strived to provide full disclosure and to keep Council and the public informed. City Hall has been an open book.

"These goals are fundamental for all public service, particularly in the city management profession. And I hope that you are reassured of my commitment to this particular code of ethics. I appreciate this opportunity to talk about my response. It is a very unusual format, but I feel that in view of allegations concerning public misunderstanding, etc., that something should be said. Any other information Council may desire, we are standing by to provide it."

Mayor McClellan stated, "Mr. Davidson, please let me make one statement and also one request. First of all in reference to your initial comments that you were delivered this letter after you heard about it from the news media this morning. I contacted your office yesterday afternoon to tell them I was preparing a letter to send to you. You were not available at that time. I subsequently after that talked directly with you and told you I would be writing you a letter. At the time I completed it, because I was waiting on memorandums from the staff, I came in to tell you that it would be later. At the time I completed that letter it was very late in the evening, and I was in my office and called your office and you were not in City Hall. I wanted to provide you with the courtesy of delivering that letter first to you, even before other Councilmembers. I called you later in the evening at home to tell you that since I had not found you at City Hall, I was not leaving the letter there that evening, but would deliver it to you at 8:00 this morning. I just wanted to clarify that for the record."

Mr. Davidson said, "You are certainly accurate, Mayor, and I know you didn't do it, but someone associated with you on this project did in fact distribute some copies, whether it was a draft or whatever, to certain news media last night beginning at 8:00." Mayor McClellan said the only thing she put out to members of the Council was information she had received from staff.

Discussion followed. Mayor McClellan talked about the proposed Operating Budget for 1981-82 not being released until August 31, 1981. She felt the people should be informed before voting in the bond election. "I really feel like the people want to know, what is the proposed tax rate and maybe we could at least have that information before Saturday." Mr. Davidson said, "The first date the Council considered for this bond issue was last June. What would we have told them then? We weren't even this far along with the budget. You are not going to be able to schedule bond elections in the future so that precisely at the time you can adopt the proposed tax rate required in connection with the bond election. Further, people are not going to wake up Monday morning and know what the tax structure is because it will not have been adopted by the City Council even after they see what I recommend." Mr. Davidson went on to say the budget figures are still being worked on and the budget volumes will not be ready for release to Council until August 31.

APPRECIATION TO CITY STAFF

Councilmember Dueser moved that the Council express appreciation to City staff for the excellent job done in preparing for the City Bond Election in four short weeks. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Councilmembers Deuser, Duncan, Goodman, Mullen, Urdy,
Mayor McClellan, Mayor Pro Tem Trevino
Noes: None

JOURDAN-BACHMAN PIONEER FARM

Chis Attal, Parks and Recreation Department, presented a slide show on the joint working agreement for the development and operation of the Jourdan-Bachman Pioneer Farm.

Motion

Councilmember Mullen moved that the Council adopt a resolution approving a joint working agreement for the development and operation of the Jourdan-Bachman Pioneer Farm between the City of Austin Parks and Recreation Department and the Austin Natural Science Association. The motion, seconded by Mayor Pro Tem Trevino, carried by the following vote:

Ayes: Councilmember Mullen, Mayor McClellan, Mayor Pro Tem
Trevino, Councilmembers Duncan, Goodman
Noes: None
Not in Councilmember when roll was called: Councilmembers Urdy,
Deuser

BOARDS AND COMMISSIONS

Mayor McClellan announced the following board and commission appointments are due to be made next week:

Zoning Board of Appeals - 2
Electric Utility Commission - 4
Ethics Review Commission - 1
Hospital Board - 4
Renewable Energy Resources Commission - 3
Traffic Safety Commission - 1
Construction Advisory Commission - 1
Building Standards Commission - 1
On-Going Goals - 1
Parks and Recreation Board - 1
Vending Commission - 2
Austin Community Education Consortium - 1
Dental Health Advisory Committee - 1
Elizabeth Ney Board of Directors - 1
Downtown Revitalization - 4
Plumbing Advisory Committee - 1
Community Development Commission - 1
Austin Cable Commission - 9

SPECIAL PERMIT APPROVED

Councilmember Deuser moved that the Council deny the appeal from Mr. Richard Gravois, Glenna Balch, the Zilker Barton Heights Neighborhood Association and Cicily Simms, Richard and Elizabeth Murphy, on a Special Permit for Kinney Avenue Condominiums, 1307 and 1407 Kinney Avenue, C14p-81-029, and approve the Special Permit. The motion, seconded by Councilmember Duncan, carried by the following vote:

Ayes: Councilmember Urdy, Mayor McClellan, Mayor Pro Tem Trevino,
Councilmembers Deuser, Duncan, Goodman, Mullen
Noes: None

Prior to the vote, Councilmember Deuser questioned the applicant concerning the proposed height of units, the height of the fence, speed bumps and landscaping.

APPEAL POSTPONED

Councilmember Deuser moved that the Council postpone to September 3, 1981, an appeal by John Meinrath from the imposition of monitoring and maintenance fees related to Maple Run, Sections 4 and 6. The motion, seconded by Councilmember Goodman, carried by the following vote:

Ayes: Mayor McClellan, Mayor Pro Tem Trevino, Councilmembers
Deuser, Duncan, Goodman, Mullen, Urdy
Noes: None

EXECUTIVE SESSION

Mayor McClellan announced that Council will convene in a closed or executive session authorized by Section 2, Paragraphs (e), (f) and (g) of Article 6252-17, Texas Revised Civil Statutes Annotated; and after such closed or executive session, any final action, decision or vote with regard to any matter considered in the closed or executive session will be made in open session, should such action, decision or vote be necessary.

RECESS

Council recessed its meeting at 4:30 p.m. for the executive session and resumed their meeting at 5:25 p.m.

ACTING CITY MANAGER APPOINTED

Mayor Pro Tem Trevino moved that the Council adopt a resolution appointing Mr. Tom Muehlenbeck as Acting City Manager. The motion, seconded by Councilmember Deuser, carried by the following vote:

Ayes: Mayor Pro Tem Trevino, Councilmembers Deuser, Duncan,
Goodman, Mullen, Mayor McClellan

Noes: None

Not in Council Chamber when roll was called: Councilmember Urdy

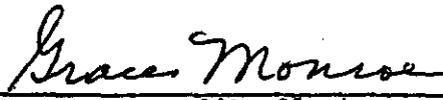
ADJOURNMENT

Council adjourned its meeting at 5:26 p.m.

APPROVED


Mayor

ATTEST:


City Clerk